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Attorneys for Respondents



BEFORE THE ARIZONA CORPORATION COMMISSION

In the matter of)	Docket No. S-03506A-02-0000
JOHN R. WALLRICH and JANE)	ANSWER TO PROPOSED ORDER
DOE WALLRICH, husband and wife,)	TO CEASE AND DESIST, FOR
10742 SW Heron Place)	RESTITUTION, FOR ADMINISTRATIVE
Beaverton, OR 97007)	PENALTIES, AND FOR OTHER
Respondents.)	AFFIRMATIVE ACTIONS

The Respondents, through the undersigned, submit their Answer to the Proposed Order to Cease and Desist, for Restitution, for Administrative Penalties and for other affirmative actions.

1) Respondent Jack Wallrich admits the allegations contained in Paragraph 1, but Respondents deny that the Commission has jurisdiction over Jane Doe Wallrich.

2) Respondents admit the allegations contained in Paragraph 2.

3) Respondents admit that allegations contained in the first sentence of Paragraph 3, but deny the remaining allegations contained in Paragraph 3. Respondents specifically deny that A.R.S. Sec. 44-2031(C) applies to any action taken by Jack Wallrich prior to the effective date of said statute.

4) No response required.

5) Respondents are without sufficient information to affirm or

1 deny the remaining allegations contained in Paragraphs 5 through 11 of Commission's
2 complaint, and, therefore, deny the same.

3 6) Respondents deny the allegations contained in Paragraph 12.

4 7) Respondents admit the allegations contained in the first
5 sentence of Paragraph 13, but deny all of the other allegations contained in Paragraph
6 13.

7 8) Respondents deny the allegations contained in Paragraph 14.

8 9) Respondents are without sufficient information to affirm or
9 deny the remaining allegations contained in Paragraph 15 of Commission's complaint
10 and, therefore, deny the same.

11 10) Respondents deny the allegations contained in Paragraphs 16
12 and 17.

13 11) Respondents are without sufficient information to affirm or
14 deny the remaining allegations contained in Paragraphs 18 through 21 of Commission's
15 complaint and, therefore, deny the same.

16 12) Respondents deny the allegations contained in Paragraphs 22
17 through 28.

18 13) As affirmative defenses, Respondents hereby allege lack of
19 jurisdiction over the Respondents, improper venue, insufficiency of process, laches,
20 statute of limitations, estoppel, and failure to state a claim upon which relief can be
21 granted.

22 14) Further, Respondent reserves the right to raise any affirmative
23 defense that may become available.

24 WHEREFORE, Respondent requests that the Commission deny the
25 relief requested by the Securities Division, and grant each party the relief that the
26 Commission deems appropriate.

DATED this 23 day of December, 2002.

ROBBINS & GREEN, P.A.

By:

Wayne A. Smith
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Original mailed this 23 day of
December, 2002, to

Docket Control
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Copy of the foregoing mailed this
23 day of December, 2002, to

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